

Message Text

LIMITED OFFICIAL USE

PAGE 01 TOKYO 02948 061118Z

53

ACTION EB-07

INFO OCT-01 EA-06 ISO-00 L-02 H-01 PA-01 PRS-01 USIA-06

AID-05 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 TRSE-00

XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01

/054 W

----- 045825

R 060820Z MAR 75

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 8490

LIMITED OFFICIAL USE TOKYO 2948

E.O. 11652: N/A

TAGS: ECON, JA

SUBJ: PROPOSED REVISION OF JAPANESE ANTIMONOPOLY ACT

REF: TOKYO A-84, FEB 22, 1975

SUMMARY. CABINET ON MARCH 5 APPROVED DRAFT OF AN ANTI-MONOPOLY LAW REVISION BILL WHICH, WHILE CONTAINING FEWER NEW TEETH THAN FAIR TRADE COMMISSION (FTC) HAD WISHED, NEVERTHELESS GOES FARTHER THAN BIG BUSINESS IS PREPARED TO ACCEPT. LATTER WILL TAKE CASE TO LDP AD HOC COMMITTEE WHERE BILL NOW GOES FOR CONSIDERATION PRIOR TO BEING SUBMITTED TO DIET, AND WHERE THERE IS ALREADY CONSIDERABLE SENTIMENT AGAINST STRENGTHENING ANTITRUST POLICY. END SUMMARY.

1. FINAL VERSION OF ANTIMONOPOLY LAW REVISION BILL APPROVED BY CABINET WOULD AUTHORIZE FTC, AFTER CONSULTING WITH MINISTRY HAVING ADMINISTRATIVE JURISDICTION OVER INDUSTRY CONCERNED, TO ORDER A MONOPOLISTIC ENTERPRISE TO TRANSFER PART OF ITS BUSINESS TO OTHER FIRMS. DRAFT ALSO IMPOSES STRICTER LIMITS ON ACQUISITION BY LARGE FIRMS OF STOCKS OF OTHER COMPANIES, AND INCLUDES PROVI-

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TOKYO 02948 061118Z

SIONS FOR DISSOLVING AND PUNISHING ILLEGAL CARTELS.

2. CABINET'S ACTION DREW IMMEDIATE AND SHARP CRITICISMS FROM BUSINESS AND FINANCIAL INTERESTS. TOSHIO DOKO, PRESIDENT OF KEIDANREN, TOLD PRESS CONFERENCE THAT BUSINESS COMMUNITY IS "ABSOLUTELY OPPOSED" TO DRAFT LAW WHICH HE SAID IS DESIGNED TO IMPOSE "STRUCTURAL CONTROLS" ON BUSINESS. PRESIDENTS OF FEDERATION OF BANKERS ASSOCIATIONS, JAPAN FOREIGN TRADE COUNCIL, AND TWO LARGE TRADING COMPANIES (C. ITOH AND MITSUBISHI) ALSO CAME OUT STRONGLY AGAINST THE BILL, PARTICULARLY PROVISIONS RELATING TO NEW LIMITS ON STOCK ACQUISITION BY LARGE FINANCIAL AND COMMERCIAL FIRMS.

3. DRAFT BILL WILL BE CONSIDERED BY AN AD HOC COMMITTEE OF LIBERAL DEMOCRATIC PARTY (LDP) BEFORE BEING SUBMITTED TO DIET. ACCORDING TO PRESS ACCOUNTS, COMMITTEE HELD MEETING ON MARCH 5 AT WHICH NUMBER OF MEMBERS VOICED DISSATISFACTION WITH GOVERNMENT'S DRAFT. CRITICISM REPORTEDLY WAS DIRECTED MAINLY TOWARDS CORPORATE BREAK-UP PROVISION, WHICH REQUIRES ONLY CONSULTATION WITH MINISTRY CONCERNED; OPPONENTS OF BILL WANT LAW TO REQUIRE PRIOR CONSENT OF MINISTER BEFORE FTC IS EMPOWERED TO ORDER A BREAK-UP. (MITI MINISTER KOMOTO SOUGHT UNSUCCESSFULLY TO HAVE SUCH PROVISION WRITTEN INTO GOVT DRAFT.)

4. COMMENT. AS EMBASSY ANTICIPATED (REFAIR), GOVT'S DRAFT BILL IS WATERED-DOWN VERSION OF ORIGINAL FTC PROPOSALS. KEIDANREN AND OTHER BIG BUSINESS INTERESTS WILL BRING HEAVY PRESSURE TO BEAR ON LDP AD HOC COMMITTEE TO FURTHER EMASCULATE THE BILL AND, SINCE NUMBER OF COMMITTEE MEMBERS ARE ALREADY DISPOSED IN FAVOR OF BIG BUSINESS, DRAFT BILL LIKELY TO EMERGE FROM COMMITTEE WITH STILL FEWER TEETH.
HODGSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ANTITRUST, MONOPOLIES, COMMERCIAL LAW, BUSINESS FIRMS, LEGISLATIVE BILLS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: RowellE0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975TOKYO02948
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750078-0752
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750374/aaaacoxe.tel
Line Count: 95
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 TOKYO A-84, 75 FEB 22, 75 1975
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 15 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JUL 2003 by BoyleJA>; APPROVED <14 NOV 2003 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROPOSED REVISION OF JAPANESE ANTIMONOPOLY ACT
TAGS: ECON, JA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006